

Our group promotes to raise employee capability.

The base of CSR is raising employee capability. We train our employees and employees of all group companies to raise their capability, and implement various personnel measures and measures for occupational health and safety to materialize a pleasant work environment.

Career support fostering motivation

We have implemented a target management system with which individual employees set their own targets to raise their own capability. The system centers on 3C¹ interviews between managers and employees ranked chief or lower. The interviews provide an opportunity for managers to talk with all subordinates individually who set their own annual targets and career paths during the interviews. The system facilitates materialization of a work environment where employees work with motivation.

¹The 3Cs are "challenge program" for objectives management, "career development report" to analyze functional accomplishment capabilities of employees and to clarify capability development targets, and "communication sheet" in which subordinates ask for advice and pose questions.

Kasumigaura Institute set up to improve the training environment

Under the direction of our Corporate Education Promotion Committee, we have been providing training for employees according to their position and capability, training for selected employees and training selected by employees to our group's employees in Japan and overseas. With the aim of further enhancing this training, the newly constructed Kasumigaura Institute became operational on April 1, 2007. The training provided at the center, which consists of classrooms, a factory for training, and accommodation, ranges from skills training for new recruits to training to raise future managers. Trainees from overseas receive training here.



Kasumigaura General Training Center



English lesson for new recruits (above)
Bedroom (below)

A male employee took paternity leave

We recognize the importance of offering equal opportunities and treatment for men and women and grants paternity leave and maternity leave to employees. In FY2006, eight employees took maternity leave (five started their leave in FY2006, three in the previous year). For the first time, a male employee took paternity leave from May 21 to September 30, 2006.

The person who took paternity leave is Mr. Yoshida, a section leader in the Accounting Department at the head office. He has the following to say.

"When I decided to take paternity leave, I was worried about what my colleagues would think. I consulted personnel department and my boss, and started the leave with the backing of my colleagues. I acquired experience, which I could not have done otherwise, of looking after my baby and doing housework. I have been working for the company for ten years. I made acquaintances in the community, which previously were mostly limited to people related with my work. I am sure that this experience will be useful for my work. If my colleagues want to take parental leave, I will definitely support them."



Efforts to increase satisfaction of employees working overseas

The proportion of overseas business is increasing. We provide diverse support for employees posted overseas, and for their families. We organize events suited to the local customs and culture, and endeavor to improve the welfare of local employees.

Welfare of employees in New Zealand

CablePrice organizes dinner parties, events for children, Christmas parties, etc., at its branches every four months, to promote friendship.

Annual event in Thailand

Hitachi Construction Machinery (Thailand) and three other companies operating in Thailand hold a Buddhist event for the new year called "Tanbun Piemai"^{*2}, as part of employees' welfare. Not many Japanese companies in Thailand hold this event.

^{*2}"Tanbun" means good deeds and virtues and "Piemai" means new year. We request monks to visit our branches and chant a sutra to purify the premises, and we offer alms.



Employment of retired employees

We implemented a retired employee employment system in April 2004, even prior to the revision of the Stabilization of Employment of Older Persons Act. We employ elderly people and endeavor to raise the capability of younger employees by passing on the skills of the elderly employees. Hitachi Construction Machinery Operators Training Center, one of the group companies, employs elderly employees as trainers, and elderly employees take a major role in their business.

Employing trainees from Indonesia

Hitachi Construction Machinery Camino accepts trainees from Indonesia as part of the Association for International Manpower Development of Medium and Small Enterprises, Japan skill training scheme. The first group of four trainees has completed the first year of study of Japanese language and three years of welding training and will return to Indonesia in June. Hitachi Construction Machinery Indonesia will employ them all. We hope that they will play an important role at the company because they can speak Japanese.



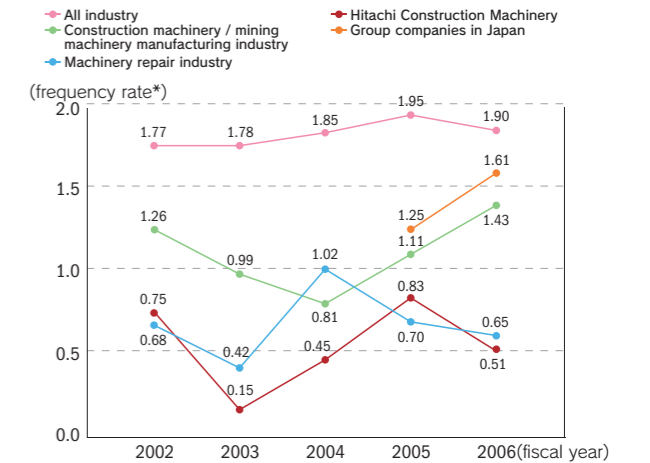
Trainees from Indonesia

Welding training

Thorough occupational health and safety

Our Occupational Health and Safety Promotion Committee gathers information concerning labor accidents, etc., from all group companies. Based on this information, the committee continuously strives to prevent accidents by setting basic policy and concrete measures. The committee distributed safety manuals in English to overseas group companies in FY2006 to ensure provision of safety training.

Trends in the frequency of accidents causing worker fatalities and injuries (frequency rate)



* frequency rate
Number of deaths and injuries in accidents at work per 1,000,000 man-hours. (In statistics, at least one day of absence.)
frequency rate = number of deaths and injuries in accidents at work / man-hours × 1,000,000



Press covered with a safety frame at Niigata Material



English version of the health and safety manual

Mental health care

In Japan, the number of employees absent due to mental health problems is increasing. We take step to prevent mental health problems. In FY2006, we provided health examinations which included mental health checks to employees working at the head office, the East Japan Division and the West Japan Division and to employees posted overseas. We examined the feasibility of implementing EAP^{*3} in FY2006 and decided to introduce EAP from FY2007. Hitachi Kenki Business Frontier already introduced EAP from FY2006.

^{*3} EAP (Employee Assistance Program)
A program by outsource, which provide company's employees with mental health services such as counseling

